6
Leverage planning: the London Docklands Development Corporation

Leverage planning is the use of public investment to stimulate a weak or flagging private market in land and property development. As we pointed out in Chapter 2, this is an established aspect of the British planning system, in forms ranging from house improvement grants to Assisted Areas. But only in the 1980s has leverage become one of the principal approaches to the regeneration of declining urban areas. From being a relatively minor part of planning, leverage has become a mainstream activity which looks set to expand its role even further. Already, leverage planning has generated new institutional forms and distinctive political features. Its implications for urban renewal, in terms of the renewal process, the pattern of redevelopment and the social groups likely to benefit, are becoming clear. In short, we can identify the principal features of leverage as a planning style.

For our case study of leverage planning we have chosen the London Docklands Development Corporation (LDDC) (Fig. 6.1). The LDDC was one of the first two urban development corporations (the other was on Merseyside). Its essential role has been the preparation and marketing of development sites, often involving major reclamation works and the provision of suitable infrastructure, thereby turning large areas of worthless and derelict land into viable propositions for speculative property developers. It is in this sense that the style of planning represented by the LDDC can be described as leverage. New private-sector investment is neither incidental to its activities, nor part of a wider publicly determined planning scheme, but the principal rationale of the LDDC's investments and a major source of its revenue.

To begin this case study, and to help to understand the nature of the LDDC and the controversy which surrounds it, we will briefly review the decline of London's Docklands and the initial attempts in the 1970s to draw up and carry out major plans for their renewal and redevelopment.

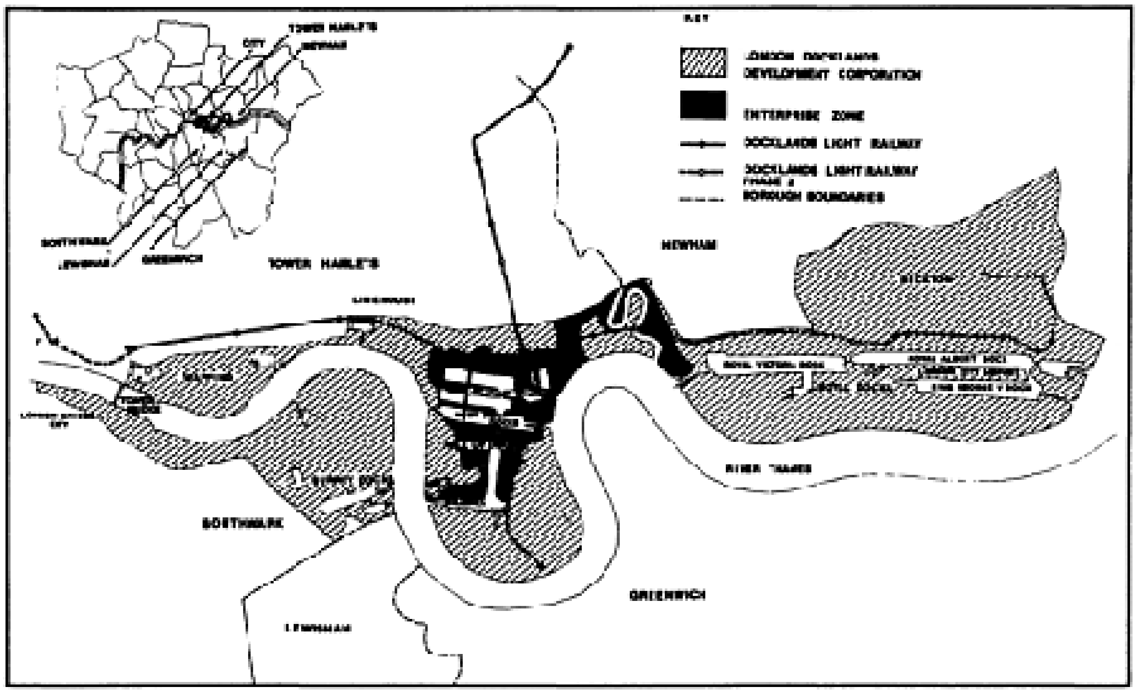

Figure 6.1 Map of the London Docklands, showing places referred to in the case study

The decline of London's docks

London's enclosed docks—the upstream docks—were constructed during the 19th century, when London was the busiest port in the world. A variety of heavy industries grew up alongside the port, including shipbuilding, engineering and refining, together with shipping service industries. The East End also became the home for many obnoxious industries that were not tolerated elsewhere in London. Docklands in its heyday was therefore a major centre of industrial and commercial activity, employing large numbers of manual workers.

The collapse of the Docklands economy first became apparent in the 1960s, but its demise was deeply rooted. In a well documented account, Hardy (1983a) argues that laissez-faire competition for shipping trade led to an early overprovision of enclosed docks which ultimately was a major cause of their downfall. Even from the beginning, the dock companies struggled to remain profitable. They began to fail and merge as early as 1838, until only three companies remained to form the Port of London Authority (PLA) in 1909. Low profitability meant inadequate investment and eventually loss of business to more modern ports elsewhere in Britain and Europe. During this century the decline of the docks also reflected changes in the pattern of world trade, and changes in technology. London has lost most of the trade on which the Docklands grew up. The types of goods carried by sea are no longer those which sustained the industries of the East End, and London no longer functions as the centre of trade within an Empire. Technological changes have produced larger ships and metal containers, favouring deepwater terminals and ports with better road and rail connections. By the end of the 1960s the upstream docks were largely redundant. The first to close was the East India Dock in 1967; many of the others had followed by 1970 and the remaining docks, the West India/Millwall complex and the huge expanse of the Royals, had all closed by 1981. Direct employment in the docks fell from just under 23 000 in 1967 to a little over 7000 in 1979 (Newman & Mayo 1981, p. 535).

As the East End of London ceased to have a major role as a port, so it also declined as a centre for manufacturing industry. Decline has characterized Britain's older industrial areas since the mid-1960s. Newman & Mayo cite evidence that manufacturing employment in London fell by 34% between 1961 and 1974, half of this decline resulting from factory closures. The process of industrial restructuring continued during the 1970s, and with it came a relentless loss of jobs. There was a 27% decline in employment in the Docklands area between 1978 and 1981 alone (LDDC 1986a, p. 5). While some major factories remain, notably along the riverside south of the Royal Docks, industrial employment has continued to fall during the 1980s. As a consequence, unemployment in the Docklands rose to very high levels, reaching 18.6% in the LDDC area in 1981 (GLC 1984a, p. 21).

Like most other old industrial areas in Britain, the decline of the Docklands economy has been associated with a massive loss of population. People began to leave Docklands and the East End of London long before its economic problems became so overwhelming. The Docklands boroughs have been losing population since the 1930s but the outward movement accelerated in the 1950s. Better housing and employment opportunities in the overspill estates, the spec-built suburbs and the new towns attracted thousands from East London. By the late 1960s that movement had become an exodus, the five Docklands boroughs losing 10% of their population between 1966 and 1971. During the 1970s the 'pull' of opportunities was reinforced by the 'push' of decline, and several inner London boroughs lost over a fifth of their population in the decade 1971–81. It is estimated that the population of Docklands fell by 24% in this period, and when the LDDC area was defined in 1981 its recorded population was just 39 700 (GLC 1984a, p. 17).

Planning for Docklands in the 1970s

The need to plan for the renewal of the Docklands was recognized as soon as the first docks begans to close. In 1971 the Department of the Environment and the GLC commissioned a firm of consultants, R.Travers Morgan, to set up the London Docklands Study Team and prepare a range of comprehensive planning strategies. The Study Team's report (London Docklands Study Team 1973) set out five broad-brush strategies. Four of these were varieties of commercial development, including owner-occupied housing, luxury hotels, marinas, offices and shopping centres, with a new rapid-transit system. The fifth, described as 'East End Consolidated', was addressed more to local planning and employment needs but with 'all the appearance of a token plan to satisfy local traditionalists' (Hardy 1983a, p. 18). While acknowledging that political choices had to be made, the Study Team had in effect identified the potential for commercial investment in Docklands, in association with appropriate publicly provided infrastructure.

The Travers Morgan report received a hostile reception in Docklands itself. On one level it represented a solution imposed on Labour-controlled boroughs by a Conservative central government. When control of the GLC was transferred to the Labour Party in 1973, the odds were stacked against it, and in 1974 Geoffrey Rippon, as Environment Secretary, withdrew the whole report (Hardy 1983a, p. 18). Economic circumstances had also changed dramatically in 1973–4 with the collapse of the property boom, and the future of all major developments was thrown in doubt. But behind these immediate circumstances, the London Docklands Study Team represented a particular conception of the planning process. It put forward large-scale proposals, drawn up without any consultation with the elected political bodies responsible for planning in the area nor, indeed, with local residents. Yet this was just the time when the planning system was beginning to accommodate demands for public consultation and participation in plan-making, through structure and local plans. The Study Team approach was therefore an unacceptable planning style (Ledgerwood 1985).

In looking for a way forward, Rippon set up the Docklands Joint Committee (DJC), made up of representatives of all the local authorities concerned with the area, together with the Port of London Authority and the TUC. Described by Hardy as ‘a blue-print for appeasement, straight off the pluralist drawing board’ (1983a, p. 18), this formula was the same as that which Rippon had applied to Covent Garden. The ‘public’ were represented through a Docklands Forum and involved in a wide range of public participation exercises, similar in format to those being developed in structure and local planning. In just two years the DJC produced the London Docklands Strategic Plan (LDSP), an advisory planning framework based on a single strategy agreed among the participating authorities.

Given its social and political pedigree, it is hardly surprising that the LDSP proposed almost the exact opposite of the Travers Morgan report. It argued for change—indeed, it proposed a doubling of Docklands’ population—but for change which would consolidate the existing social and economic character of the area rather than radically transforming it. The plan was based on an assessment of the needs of the local population in the five Docklands Boroughs, Tower Hamlets, Newham, Southwark, Lewisham and Greenwich. It proposed to used the vast areas of land which were becoming available in Docklands to meet these needs, principally for housing (mainly local authority rented housing), industrial employment, social facilities and environmental improvements. It was a plan to make the East End of London a more pleasant place to live, for the benefit of the East Enders. Nowadays such a plan is easily dismissed as ‘a working class Shangri-la’ (*The Times* 19 April 1985) or ‘a domestic paradise of waterside communities’ (Pawley 1986). But as Ambrose (1986) has pointed out, in many respects the LDSP was a return to the principles of Abercrombie’s County of London Plan of 1944, in which the Docklands were intended to retain their ‘East End’ land uses rather than develop higher-value ‘West End’ functions. It was a plan for the existing community, as they perceived their interests in the mid-1970s, and not a plan for some undefined community of anonymous newcomers.

Briefly, in the late 1970s, the LDSP began to be implemented, taking advantage of the Labour government’s inner cities programme and other special funds. But it quickly ran into political, practical and financial problems and progress was painfully slow. The change to Conservative control at the GLC in 1977 put the five Labour boroughs at odds with their strategic planning authority. All the major programmes fell behind schedule, as public expenditure was cut after the 1976 financial crisis, and manufacturing industry in the inner-city areas entered a steep decline. Land reclamation and site assembly proved much more costly and complicated than envisaged, and the Docklands Joint Committee had no effective powers. The legacy of the LDSP from the period 1976–81 was the filling of some docks, notably the Surrey Docks (later criticized because waterside areas provide commercially attractive sites), the construction of some 2500 local authority dwellings, a few social and community facilities, and plans for road improvements which were broadly accepted by the LDDC. Given the context in which it was being implemented, and in particular the massive withdrawal of private investment and major cuts in public expenditure that characterized the fate of most inner-city areas in the late 1970s, this modest record is easily explained. But it has also been argued that a locally conceived and administered solution was doomed from the start, and that a plan such as the LDSP could only become a reality through radical reform of the planning and development process, including control over private investment (Newman & Mayo 1981). Be that as it may, the poor track record of the Docklands Joint Committee presented an easy target for criticism by the incoming Thatcher government in 1979.

The London Docklands Development Corporation

The LDDC began operating in Docklands in September 1981, just two years after its announcement by Michael Heseltine, the Secretary of State for the Environment who shaped the Conservative's policies on inner-city renewal. The legal basis for urban development corporations (UDCs) was created by the Local Government, Planning and Land Act 1980. Partly modelled on the New Town Development Corporations of 1946, UDCs were designed to take over some responsibilities of the existing local authorities in their designated area, principally those for development control, and were given the power to buy and sell land. The boundaries of the proposed LDDC included an area of 5120 acres. This was a slightly smaller area than that covered by the Docklands Joint Committee since it excluded those areas which fell in the boroughs of Greenwich and Lewisham. The three boroughs affected by the proposal (Tower Hamlets, Newham and Southwark) objected to the designation and a hearing in the House of Lords ensued.

The House of Lords hearing revealed much of the thinking behind the new style of leverage planning which has now been extended to other inner-city areas. There were two key arguments advanced in favour, one concerning the nature of the problem and the other the nature of the solution. The problem, the dramatic decline of London's Docklands, was said to be of national as well as local significance. This reflected the proximity of the area to the City and Central London and the priority given to the capital by the government. It was also a matter of the scale of the problem in relation to the resources required. The solution, the government claimed, required a single-purpose authority to overcome the limitations of existing planning procedures and organizations. What this meant was that the government did not believe the DJC and the boroughs would be attracting private investment for the regeneration of Docklands. Substantial new public investment was needed to change the image of Docklands and to create conditions which would bring in the private investor, and this could only be channelled through a new body which would not spend it on 'local needs'.

The boroughs and local community groups challenged these arguments with the claim that the DJC was an 'efficient and responsive organisation' (Colenutt & Lowe 1981, p. 236) which had already achieved much, notably dock filling and site preparation. But on the key issue of private-sector investment the objectors' case was unclear. Southwark and Tower Hamlets claimed that they welcomed major private investment in industrial and commercial projects, such as the St Katharine Docks and the News International plant in Wapping, and the Hay's Wharf scheme in Bermondsey (now London Bridge City). However, the community groups argued that expensive owner-occupied housing would not benefit local residents, and Newham made a strong case for more council housing in its area. The LDSP had certainly required private investment to achieve its goals, but in practice it had not proved attractive to those parts of the private sector which were interested in investing in Docklands. The Lords Select Committee concluded that 'private investors will not put money into Docklands on any large scale unless they are encouraged by the presence of an environment attractive to them, including the availability of some private housing' (House of Lords 1981), and recommended in favour of the LDDC.

The LDDC was thus established as a new kind of planning instrument, with the task of regenerating the Docklands in a new way. It has three main characteristics which distinguish it from other styles of planning. Firstly, it is a distinctive type of organization, a quasi-governmental agency. As such it falls outside the control of locally elected politicians but is accountable to Parliament through the Secretary of State for the Environment. Secondly, the LDDC decided 'to use its resources primarily as a lever to attract private investment' (1986a, p. 3). These resources include not only finance but also exceptional powers to acquire and prepare development sites. With its general object defined as 'to secure the regeneration of its area', the LDDC has pursued the clear policy line that this can best be achieved by encouraging private-sector investment. In pursuit of this goal, its third main characteristic is a flexible approach to planning. The existing statutory plans for the Docklands are, in principle, unaffected by the presence of the LDDC, which has no plan-making powers. Instead, it purports to take account of these plans, along with the LDSP, in its development control decisions. However, few would argue that the statutory plans have acted as a constraint on development. In fact, the LDDC has defined its own flexible planning frameworks: as its former Chief Executive, Reginald Ward, candidly put it, 'it was necessary to be opportunist with regard to proposals from developers' (1986, p. 118).

The renewal of Docklands

We turn now to examine the effects of leverage planning in action, by reviewing the major activities of the LDDC and the development that has occurred in Docklands in the six years following its designation. By 1987 the LDDC had spent some £340 million and was receiving an annual grant-in-aid of £58 million. It was projecting total expenditure of around £1 billion up to 1991, with about half coming from government grants and the rest from the sale of treated and serviced land (LDDC 1987). More than three-quarters of the Corporation's expenditure was incurred on land acquisition, reclamation and treatment, including infrastructure works, with the remainder covering administration, consultancies, promotion and other costs. The major investments of the LDDC can be grouped under two broad headings, communications, and site acquisition and preparation, both representing major infrastructure development.

Improved communications for Docklands were seen as a key to its regeneration by the original Study Team and by the DJC, and this is perhaps the one issue on which there has been a large measure of agreement. A rapid-transit link with the City and London's underground system has always been part of this general proposal, and with the collapse of the plan for the Jubilee Line underground extension in the late 1970s, this eventually materialized as the Docklands Light Railway (DLR) (Fig. 6.1). The first phase of the DLR, built partly on the route of an old railway line, was opened in 1987 at a cost of £77 million (funded jointly by the LDDC and London Regional Transport). Eastward extensions are proposed to connect the Royal Docks and Beckton, at a further cost of some £230 million. In addition to the DLR, new roads have been an important infrastructure investment, since access to the docks was previously very restricted. Major road improvements are planned to both east-west and north-south routes, with the long-term aim of linking into the new East London River Crossing planned for the mid-1990s. There has also been an emphasis on telecommunications and cabling to service high-tech industry and offices.

Site preparation is the other major activity of the LDDC. Dock filling was completed early on at London Docks in Wapping, since when it was decided to retain all the remaining docks. Site works have ranged from the basic provision of sewers and access roads, as in the Surrey Docks, to major engineering works such as the construction of new river walls and the treatment of heavily polluted sites. All of these works were seen to be necessary to overcome negative land values and to make sites attractive to private investors. If land values continue to rise, it is possible that some of the future infrastructure will be provided by developers, for example at the Royal Docks.

Investment by the LDDC, substantial as it is, is dwarfed by that from the private sector. The Corporation claimed that by 1987, every £1 it had spent had brought in £8.72 from private investors. In the long run, it was anticipating over £6 billion in private investment, representing a potential 'leverage ratio' of over 12:1 (LDDC 1987). This leverage calculation is a rather misleading construct, since it only accounts for new public and private investment since 1981, and the public-sector element only includes net spending by the LDDC. Important factors omitted are infrastructure investment by the boroughs and the DJC prior to 1981; Urban Programme and other public-sector investment after 1981, such as housing and trunk roads, and the DLR, additional to the LDDC budget; rate and tax allowances in the Enterprise Zone; and continuing private-sector disinvestment. As a broad indicator, the leverage ratio clearly points to the revival of an active land and property market in the past few years, which is the key object of this style of planning. In one sense, this still has to be judged with caution, since nearly all of the private investment is speculative, principally in offices and housing. While the housing is selling well to owner-occupiers, this is not yet the case with the offices: ‘Still required are the votes of confidence of office users and the funding institutions who have so far shown little enthusiasm for Docklands’ (Knight, Frank & Rutley 1987, p. 12). Nevertheless, the scale of regeneration now taking place shows that the intervention of the LDDC has made the area attractive and available to large-scale private investment.

A brief tour of Docklands will give some indication of what this money is being spent on and how the whole area is being transformed. Docklands falls into four geographical zones: to the north of the river, Wapping and Limehouse; the Isle of Dogs; and the Royal Docks and Beckton; south of the river, the Surrey Docks (Fig. 6.1). These are treated as separate planning zones by the LDDC, each with an Area Team, and they have begun to develop distinctive characters.

Wapping and Limehouse

At the western end of Docklands and closest to the City, Wapping was the first area to attract commercial investment. It stretches from the St Katharine Docks, by Tower Bridge, to Shadwell further downstream and includes the site of the filled London Docks. The St Katharine Docks were the first to be redeveloped. As soon as the docks closed in 1969 developers were queueing up for this plum site and the prize went to Taylor Woodrow. The St Katharine-by-the-Tower Hotel was opened in the early 1970s and the scheme now includes a marina, high-class shopping and, more recently, the World Trade Centre. Protest about this development in the early 1970s helped to form the Joint Docklands Action Group (JDAG), a constant critic of private-sector renewal. Today St Katharines is a major tourist and commercial success which symbolizes the wholesale transformation of the social and economic character of Docklands.

Wapping has other attractive features apart from St Katharines. There are several majestic wharf buildings on the riverfront, together with a fine group of Georgian houses at Wapping Pierhead, a conservation area. The oddly named High Street runs between tall warehouses and the area contains many listed original dock walls. These features, together with its location, have made Wapping a prime site for luxury housing at fabulous prices. Riverside wharves have been converted into flats with basement car parks, porterage and security, producing values of up to £275 per square foot (1987). The Barratts conversions at Gun Wharf were selling in early 1987 at prices from £95 000 for a studio apartment to over £285 000 for a penthouse. One of the latest conversions, New Crane Wharf, includes condominium-style leisure and recreation facilities on the lower floors. This type of residential market is closely linked with the ‘Big Bang’, the deregulation of the City of London in 1986. High salaries and a longer working day have led more City workers to seek ‘pied-à-terre’ accommodation near their offices (Knight, Frank & Rutley 1987).

Away from the river there are two other types of new housing. The 30-acre Western Dock site has been developed by speculative house builders with nearly 100 flats and townhouses, some of them alongside a newly built canal. In total, the new housing schemes are expected to double the area’s population by 1990; in 1987 some 2000 new dwellings had been started, with a further 1700 in the pipeline.

The other type of housing development away from the river is the conversion of former local authority flats for owner-occupation. Most of Wapping's 3100 existing residents were tenants of Tower Hamlets, the GLC or charitable housing trusts. Two major schemes, the Waterlow Estate by Barratts and Riverside Mansions by Regalian, raised the controversial question of affordability by existing tenants. While some may have benefitted from windfall gains, others were displaced and most of the flats were lost from the council's stock. Both of these schemes were made particularly attractive by their proximity to DLR stations.

While it is becoming a predominantly residential area, Wapping has also seen a large influx of commercial development. One of the first to move in, before the establishment of the LDDC, was Rupert Murdoch's News International print works, 'Fortress Wapping'. With the eastward expansion of the City of London, following deregulation in 1986, offices have also come to Wapping, particularly smaller suites. The move of the London Commodity Exchange to the Royal Mint site near the St Katharine Docks (just outside the LDDC boundary) was seen as a 'stamp of approval' for Wapping as an office location. A large mixed commercial development at Tobacco Dock, which included shopping, leisure and workshop spaces, was expected to compare in its attractions with Covent Garden Market, but with twice the floorspace. With some sites changing hands at £3 million per acre (1986) Wapping's commercial future looks assured. Boasting that 'the area provides a striking example of the correlation between the Corporation's investment programme and the large scale private investment that has been attracted to bring forward regeneration' (LDDC 1986a, p. 49), the LDDC anticipated that the process would be completed by 1989.

Just to the east of Wapping, Limehouse Basin presents a rather different story. A mixed housing and commercial scheme for the dock basin ran into organized local opposition. People living and working there formed the Limehouse Development Group to put forward an alternative to Richard Seifert's £70 million scheme for Hunting Gate Homes, British Waterways' preferred developer. A public inquiry criticized the Seifert scheme for overdevelopment of the site, but in spite of the inspector's recommendation to refuse, planning permission was granted in August 1985. Although their scheme was excluded from the original competition and summarily rejected by the Waterways Board, the Limehouse Development Group kept up their criticism. They publicized their case in *The Limehouse petition* (Wates 1986), which was signed by senior politicians and professionals as well as local residents. This conflict illustrates some of the competing views of how Docklands should be redeveloped. The Limehouse Development Group proposal was a highly imaginative mixed development scheme, based on public access to recreational facilities. On the other hand, Seifert designed a scheme which was essentially private and exclusive, for the maximum commercial return.

The Isle of Dogs

The Isle of Dogs is a peninsula formed by a curve in the Thames. It is dominated by the abandoned India and Millwall Docks which effectively cut 'The Island' off from the rest of East London. Before the LDDC took over and most of the area was declared an Enterprise Zone, it had a substantial residential population of 13 000, 90% of them local authority tenants. But by the late 1980s, and in spite of their active campaign group, the

Association of Island Communities, led by 'President Ted' Johns, the future of the working-class residents was in doubt; for according to the property press, 'it is quite conceivable that in 10 years time the Isle of Dogs will have Britain's second largest concentration of office space, after the City' (*Chartered Surveyor Weekly* 4 December 1986). The transformation of the Isle of Dogs epitomizes the style of planning represented by the LDDC, which, fittingly, located its own offices on Millwall Dock.

The majority of commercial development on the Island has, not surprisingly, occurred in the Enterprise Zone, designated in 1982. Enterprise Zones provide a number of valuable benefits to firms which locate there, including ten years without paying rates, tax concessions on buildings and simplified planning controls. Small-scale development began before 1982 and produced some interesting schemes, such as Cannon Workshops, a converted and extended former dock building providing 130 workspaces; and another conversion, Limehouse Studios, an independent television production company. But by the end of 1986 major foreign and UK developers were vying for the few remaining sites in the zone, and the schemes were getting larger. There are too many individual developments to mention, but a few examples will convey the flavour. Indescon Court, 11 office suites totalling 88 000 sq. ft, was one of the first schemes to be fully let. Skylines, a so-called 'professional park', consists of 40 self-contained units aimed at designers, architects, publishers and other professional service industries. It sold immediately to owner-occupiers. Large office schemes, such as South Quay Plaza (330 000 sq. ft) and Greenwich View (300 000 sq. ft) let well, and more developers came forward. The Heron Quays development, a mix of offices and flats, was extended from its original 600 000 sq. ft to 2 million sq. ft. Other large schemes include Brunswick Wharf, Harbour Exchange and Meridian Gate. But all of these were dwarfed by the proposal, first unveiled in 1985, for 8.8 million sq. ft of offices at Canary Wharf.

The Canary Wharf project is a startling phenomenon. It represents a large increase in the total office floorspace in the capital, reflecting the extent of 'deregulation' of the private sector that has occurred in London. It is a product first of the 'Big Bang' and the resulting increase in demand for very large office suites, particularly from foreign banks and securities dealers. Office locations well beyond the City have now become acceptable, for both headquarters and backroom functions, and 'the City has become a dispersed place' (Knight, Frank & Rutley 1987, p. 10). Secondly, it is a product of the relaxation of planning controls in the Isle of Dogs Enterprise Zone. Many were astonished that a proposal of such scale and audacity could receive planning permission without even a public inquiry. It depends crucially on improved communications, and the developer offered to share the cost of an extension of the DLR into the City.

The prospects for the full development of Canary Wharf were, at the time of writing, still uncertain. However, when two members of the original development consortium pulled out, they were quickly replaced by a Canadian company, Olympia and York, and the initial Building Agreement was signed in July 1987. Described as a 'Kowloon-on-Thames' (Pawley 1986), Canary Wharf looked set to put the Isle of Dogs firmly on the global financial services map. It has been estimated that it could bring 40 000 jobs to the area, as well as doubling Tower Hamlets' rate income. Perhaps it is not surprising that the Docklands Forum, the Limehouse Development Group, and even Ted Johns, conceded some support for the development, seeing at least some chance of future employment for

Island residents. As Johns put it:

> …for the first time there might actually be jobs for local people in the enterprise zone. The Corporation has spent millions in the last four years and claims to have created 1400 jobs. We did a survey and found that only 28 were filled by local people—and half of them worked in the LDDC offices. (Pawley 1986, p. 14)

Other residents were less sanguine: one remarked, ‘I think this centre (Canary Wharf) could end up being the Islanders’ last stand’ (Peter Wade, quoted in *The Guardian* 12 November 1985).

In addition to the financial services and wider professional services becoming established on the Isle of Dogs, the other noticeable trend is the large number of publishers coming to the area. The newspaper industry has all but moved out of Fleet Street and into Docklands. The *Daily Telegraph* print works were the first to be built on the Island, followed by those for the *Guardian* and the *Financial Times.* The *Telegraph* also moved its office headquarters, and other publishers have moved into office premises in the Enterprise Zone, including Reuters. ‘With similar moves by other papers and media organisations in the pipeline, London Docklands looks set to become the media centre of the 1990s (*Chartered Surveyor Weekly* 4 December 1986).

The Isle of Dogs has also acquired its share of luxury housing developments, mainly around the southern perimeter where some flats have a stunning view of the Royal Naval College and the Queen’s House at Greenwich. By far the most dramatic scheme is The Cascades, a 20-storey block of flats on Westferry Road, complete with health club, pool and gymnasium. There are also mixed developments on the Island, such as the Brunel Centre (offices, luxury hotel and restaurant) and the Chinese ICE scheme (trade centre, department store, hotel and shops). Associated Dairies opened an ASDA superstore in 1983.

The Surrey Docks

South of the river, the Surrey Docks area consists of two distinct zones of rather different character. At the western end is the North Southwark riverside, where old wharf buildings crowd the bank of the Thames. The larger eastern sector is the site of the filled Surrey Docks themselves, and the retained Greenland Dock. This area also includes some council estates which housed most of the original 9000 population. Southwark’s draft local plan for the area (London Borough of Southwark 1985) was overruled by the Secretary of State in 1986, leaving the GLDP as the statutory development plan.

Upstream of Tower Bridge is London Bridge City, a large commercial development of some 2.5 million sq. ft, which includes offices, retailing, luxury flats and a private hospital. This development has a long and controversial history going back to the early 1970s (Ambrose & Colenutt 1975, Brindley & Stoker 1987). It falls slightly outside Docklands proper, and was included in the LDDC area against the wishes of its first chairman, Nigel Broackes (1984), apparently to remove the development from local planning control.

To the east of Tower Bridge are several developments which are more typical of

Docklands. The Anchor Brewery has been converted into luxury apartments, many having a priceless view of the bridge itself. The Brewery site has been developed by Andrew Wadsworth's Jacobs Island Company. Wadsworth carried out one of the first warehouse conversions at nearby New Concordia Wharf. This produced 60 flats together with some office space and workshop/studio units, and was seen as a pioneering venture in the early 1980s. Between these two schemes lies Butlers Wharf, a large complex of wharves and warehouses being developed by Conran Roche. The scheme will include flats, offices, shops, studios, workshops and leisure facilities, together with the Boiler House design museum, relocated from the Victoria and Albert Museum. At the centre of the scheme is the historic street of Shad Thames which, with the other attractions, is likely to make Butlers Wharf popular with tourists. Flats in the first phase, Cinnamon Wharf, went on sale at prices between £165 000 and £325 000 in 1987 (garage spaces extra).

The major part of Surrey Docks is being developed for housing, with some industry. Some 3500 new dwellings are planned for the area, which will more than double the existing population to about 20 000. The LDDC has used its significant landholdings to produce more 'affordable' housing (less than £40 000) in this area, and it has been particularly pleased with the number of houses selling to local residents. In 1985 it claimed that 51% of 641 dwellings completed to date had sold to Southwark residents. Some blocks of council flats have been sold to private developers for conversion and sale, notably at Downtown where most of the tenants were rehoused in a new council development. To serve the increased population Tesco is developing a large retailing centre at Surrey Quays.

This area has seen some conflict over housing proposals. At Cherry Garden Pier, on the riverfront, the LDDC staged an architectural competition for a private housing development. But local residents objected and eventually won half of the site for local authority rented housing. A site at Swan Road was physically occupied by tenants of an adjacent council block, with a similar outcome. As a result of these incidents and other pressures, the Corporation allocated four sites in the Surrey Docks area for up to 500 rented dwellings.

Surrey Docks was the intended site of a Trade Mart in the LDSP, but this project was abandoned. There is only one major industrial scheme, a new print works for Associated Newspapers, publishers of the *Daily Mail.* A number of existing firms have survived around the Greenland Dock but rising land values are gradually squeezing them out. This has led to the accusation that the LDDC is not doing enough to protect local jobs. In reply it claims that the rate of job loss has been slowed in Docklands and that, in any case, the area is better off without the 'backyard industries' that have moved in during the years of decline (Rotherhithe Community Planning Centre 1986, p. 26). Nevertheless, Southwark Council and the North Southwark Community Development Group have stuck by their belief in lower land values and the regeneration of industrial employment which can use the skills of the existing resident workforce: 'We are not convinced by the argument that if you didn't have good industrial buildings then people wouldn't rent them. We believe they would.' (ibid., p. 24).

The Royal Docks and Beckton

The final area of Docklands, and the last to attract commercial redevelopment, is the Royal Docks. This section of the LDDC empire comprises two distinct zones. North of the docks themselves is Beckton, a low-lying marshy area which was drained in the 1970s and has now become a residential suburb. The London Borough of Newham's *Beckton district plan* was adopted in 1980 and had some influence over the development of this area. Large numbers of family houses with gardens have been built by speculative housebuilders, mainly on LDDC land, arranged around a District Centre with an ASDA superstore. By the end of 1987 some 3700 new houses had been completed, adding considerably to Beckton's 6500 population. Initially, the LDDC found it difficult to convince the housebuilders that a market existed in this part of East London. Some were tempted with deals which linked a Beckton site with a more juicy one in Wapping, and this set the development of the area in motion. A revised *Beckton local plan* (London Borough of Newham 1986a) was put before a public inquiry in 1986 and accepted with minor modifications. Newham wanted to see more rented housing and social facilities, but otherwise supported the development of Beckton as a mainly residential area.

The Royal Docks are the most dramatic feature of the whole of Docklands. Comprising 237 acres of water, three miles in length and enclosed by ten miles of quays, the scale of these docks is breathtaking. The area also includes the residential communities of Silvertown and North Woolwich, with some 6000 existing residents. Both the LDDC and its critics have emphasized the enormous potential of the Royals for redevelopment. In the words of the Corporation's Annual Report:

> The Royal Docks is destined to become the most exciting regeneration project to be built this century. Some opportunities happen only once in a lifetime and the development potential of the Royals is one. (1986b, p. 31)

To the critics of Docklands planning under the LDDC, the Royals represent the last chance to get it right:

> All is not yet lost. To the cast lies the empty vastness of the Royal Docks: a landscape to chill the soul…Demand is high now. Everyone wants a juicy slice of Docklands. What is urgently needed, in the public interest, is a plan. (Davies 1987, p. 37)

In fact, the Royal Docks have not been wanting for plans. One was prepared in 1983 by local community groups, with the assistance of the GLC Popular Planning Unit, to counter the original proposal for London City Airport. Called *The People's plan for the Royal Docks* (Newham Docklands Forum 1983), it argued for rented houses with gardens, industrial and service jobs for local people and a range of social and community facilities. It was a plan for mainly public rather than private investment, but it contained many imaginative and positive ideas for economic uses for the docks and related buildings. In 1986, Newham produced their own *South Docklands draft local plan* (London Borough of Newham 1986b), which adopted similar policies. But both plans were rejected in favour of the LDDC's Draft Development Framework of 1985, one of the Corporation's 'flexible' planning documents designed to attract private investment. The Development Framework for the Royal Docks envisaged a 10–15-year period of reconstruction, based on £150 million of basic infrastructure, mainly drainage, road improvements and repairs to the dock structures. The Corporation was seeking large integrated development schemes to match the scale of the docks. Initially, three major proposals came forward from large property development consortia, and others followed with competing plans. The schemes themselves are truly gigantic', enthused *Docklands* magazine, 'Nothing has been built on such a scale in the UK before' (March/April 1987, p. 27). Even the LDDC was taken by surprise and had to look for ways of accelerating its infrastructure programme. The interest reflected the unexpected early success of Wapping and the Isle of Dogs, agreement on major road links connecting the Royals with the M11 and eventually the East London River Crossing, and the construction of London City Airport on the peninsula between the Royal Albert and King George V docks. The airport is a facility unmatched by any other European city in its proximity to the commercial centre.

The proposed schemes for the Royal Docks are, at the time of writing, still being negotiated, but a few details illustrate the way private developers were thinking when faced with this unprecedented opportunity. One, by Rosehaugh Stanhope, developers of Broadgate in the City of London, consists of a gigantic regional shopping centre with up to 10 000 car parking spaces, and a 'business park' with associated exhibition and leisure facilities, amounting to some 4.5 million sq. ft in total. Another scheme, proposed by Conran Roche with Heron and Mowlem—all three active in other parts of Docklands—includes 3500 houses and flats, in various tenures. It also incorporates an information technology centre, a 500-bed hotel, offices, studios and a supermarket. A third scheme, by a consortium of British, Dutch and American developers, is a proposal for 'Londondome', a 25 000-seat stadium plus trade mart and exhibition hall, hotel and conference centre, offices and 1500 housing units. Taken together, these proposals are predominantly for multi-use business space and large-scale retailing, with a major housing component. The office content is relatively low, as the area is still overshadowed by the Canary Wharf plans, but this could increase in the future (Knight, Frank & Rutley 1987).

Following the re-election of the Thatcher government for a third term in 1987, Newham made a significant change of tactics. They decided to negotiate with the LDDC for a package of social benefits in return for their support for the Corporation's planning framework. The borough took advantage of the fact that it still owned some small pieces of land which were integral to the development, as well as other land which could contribute to it. In September 1987 it was announced that Newham and the LDDC had agreed to the inclusion of 1500 social housing units and a £10 million social development programme in the Royal Docks plan. The deal also included provision of local job-training facilities and a target of 25% local employment. The social facilities would be provided out of public and private funds, and so included a large element of planning gain. In exchange for their land holdings Newham were also seeking an equity share in the new developments which would make them a full 'partner' in the project.

Leverage as a style of planning

The LDDC has been the most prominent example of leverage planning in the 1980s, and its apparent success in its own terms has led to the wider extension of this style of planning to the regeneration of other inner-city areas. This case study allows us to draw some conclusions about the essential characteristics of leverage planning in terms of the framework set out in Chapter 2, and to comment on the particular tensions and conflicts which it engenders.

Institutional arrangements

We have described the LDDC as a quasi-governmental agency. This is a special-purpose executive agency, centrally funded and responsible to a government minister and Parliament. While there are many such agencies, the urban development corporation has become a model type of institution in its own right. The LDDC differs from most quasi-governmental organizations in being small, with a permanent staff in 1987 of only 90, plus 88 fixed-term contract staff (LDDC 1987). It does little actual planning but makes extensive use of consultants in drawing up area frameworks, as well as in many other functions such as engineering, quantity surveying, architecture, finance and marketing. Expenditure on consultancy fees totalled £10.9 million in 1986/7, more than three times in-house staff costs (ibid.). The emphasis of the Corporation's own staff is on implementation, bringing about the physical and economic regeneration of the area. Its attitudes are entrepreneurial and it has been directed by people whose roots are in large-scale property development and City finance—its first chairman was Nigel Broakes, chairman of Trafalgar House, and its second Christopher Benson, chairman of MEPC. In several of these respects the LDDC has become a model for the new urban development corporations set up in 1987.

We have seen that the main activities of the LDDC centre on the preparation of sites for private development. The key to its role as an implementing agency is land ownership. As well as the power to buy and sell land using its government grant-in-aid, the Corporation has gained control over the disposal of most of the large areas of land owned by other public bodies in Docklands. Soon after it was set up, some 650 acres of land owned by the GLC, the Port of London Authority and the Docklands boroughs was vested in the Corporation by Parliament. There have been further vesting orders and other publicly owned sites have been acquired by agreement or compulsory purchase, making the Corporation the major landowning interest in Docklands. This has given the LDDC considerable influence over the pattern of land use in its area. By the construction of major communications routes and the provision of specific types of infrastructure on land in its ownership, and by selective land disposal, the LDDC has steered development much more effectively than it could have done using the powers of planning control alone. Many have remarked on the apparent irony of this highly interventionist role (much more interventionist than that of the Docklands Joint Committee, for example) being adopted by an agency of the Thatcher government. The *Daily Telegraph* was even moved to observe that:

> the Corporation…is more of a socialist concept than a child of a Tory administration. It is state-funded and possesses centralised planning and

> extensive authority to by-pass opposition. (2 February 1987)

Politics and decision-making

The main political characteristic of the LDDC is its insulation from existing local government institutions and therefore from local democratic accountability. The independence of the Corporation causes a great deal of uncertainty, and a degree of resentment, in its relationship with local government. The LDDC has one principal local government power, that of development control. It is therefore formally subject to borough planning policy, as incorporated in statutory planning documents, and housing policy. In practice, the power of development control, together with that of land ownership, has effectively overridden both the planning and housing policies of the boroughs. The Docklands Consultative Committee complained that:

> Since its frameworks are very often in serious conflict with statutory Local Plans, the LDDC is creating major confusion and resentment over the exercise of its planning functions, as it is in effect usurping the Borough's and the Greater London Council's plan making roles. (1985, p. 29)

As in so many areas of planning in the 1980s, the status of plans produced through the development plan system has been eroded and the role of local consultation, public inquiries and the entire panoply of 'democratic' planning put in doubt. Posing the question, 'What is it about the LDDC that causes so much concern?', the Rotherhithe Community Planning Centre offered this answer:

> It is the way in which it becomes impossible for any group to influence decisions of the LDDC which causes most bitterness. Their meetings are secret, their reports confidential and the results of consultations are often ignored. (1986, p. 27)

As well as being outside local democratic control, the LDDC is closely allied with the private corporate sector, in particular large property development companies. It is private developers who are carrying out most of the redevelopment of Docklands, on the basis of infrastructure provided by the LDDC. The Corporation therefore has to have a close and sympathetic relationship with developers and a detailed understanding of their investment criteria. Large projects are discussed with potential developers prior to the submission of planning applications. Although this is a common procedure in local authority planning departments, the Docklands Consultative Committee has complained that 'local authorities are excluded from important meetings with developers', contrary to the LDDC's Code of Practice. Prior to 1986, meetings of the Corporation's Planning Committee were held in private. To enable decisions to be made quickly, only 14 days are allowed for consultation on most planning applications, which makes it difficult for the boroughs to respond. According to the DCC, 'the majority of applications are therefore determined without any real accountability to the public or the planning authorities' (1985, p. 25).

The LDDC has defended itself against the accusation that it only consults with developers. It claims that the boroughs (and the GLC, before 1986) have not made use of liaison arrangements. There is some truth in this claim, particularly since Southwark pursued a policy of non-co-operation with the LDDC after 1982, although it later relented somewhat. In the view of the Rotherhithe Community Planning Centre, the result was that, 'In many important ways, there was a political vacuum in North Southwark in which the LDDC was able to operate with virtual impunity' (1986, p. 6). Tenants' associations took the initiative and formed the Southwark Tenants' Liaison Group to maintain some relationship with the Corporation. There is no doubt that the LDDC has been sensitive to criticism on this issue. It appointed a Community Liaison Officer and saw the role of its Area Teams as helping to build links with local communities. But in the end the Corporation cannot escape the fact that its consultation is more a matter of image than substance:

> Of the 'undemocratic' nature of the LDDC, Mr Oliver (Deputy Chief Executive) said: That's clearly true. The corporation is an extraordinary arrangement for an extraordinary situation, defensible, if at all, as a temporary expedient to achieve something special in a short period of time' (*The Times* 19 April 1985)

The politics and decision-making of the LDDC can therefore be described as corporatist. Decisions are made by small élites within the Corporation itself and among large private developers and financial institutions, based principally on market criteria. The principle of leverage planning is the regeneration of a market in land and property where that market has waned or even collapsed altogether. It is this principle that produces the institutional form of the urban development corporation and which generates its corporatist style of politics. Those interests which oppose market criteria (or profitability) as the basis for planning decisions have, in effect, to be excluded from the decision-making process. Although veiled in references to the need for private-sector 'confidence', the government's case was that it was precisely the dominance of those interests—in the form of Labour-controlled local authorities—which was preventing the revival of a vigorous private market in the Docklands. The doubling of Docklands' population which is taking place, mainly by middle- and higher-income owner-occupiers, will partly change its political character and may help to convince reluctant financial institutions that long-term investment in the area is safe.

Conflicts and tensions in leverage planning

There have been many detailed arguments and local conflicts in the regeneration of London's Docklands under the LDDC. But behind them all lies one fundamental conflict which characterizes leverage as a style of planning: Who is it for? Concluding its detailed critique of the first four years of the LDDC's operations, the Docklands Consultative Committee commented that the boroughs did not share the Corporation's view of what constitutes 'regeneration': 'But the main difference centres around who is being planned for, and who is benefitting from LDDC plans and investments' (1985, p. 63). The opposing positions can be encapsulated in simple dichotomies: locals versus newcomers; and incremental change versus radical restructuring. But while these form the basis of political allegiances, the issues are not easily resolved.

The case against the LDDC advanced by the three boroughs, the GLC and many community groups, through the Docklands Consultative Committee and through individual reports, is that leverage planning does not bring direct benefits to existing residents, and frequently brings real disadvantages. They have repeatedly listed the quantifiable needs of the working-class population in Docklands, for housing—new rented housing and improvements to existing housing—industrial employment, and a wide range of social facilities which are poorly catered for. The evidence for these needs is contained in the conventional indicators which once formed the stuff of planning: numbers on housing waiting lists, numbers of disadvantaged groups, numbers unemployed, average incomes, and so on. It is not seriously contested, yet nor is it very seriously argued. For example, a report from the Docklands Forum on *Housing in Docklands,* published in February 1987, could not quote any statistical sources other than the boroughs' own Housing Investment Programme returns, which are notoriously unreliable. It is as if the case has been repeated so many times, to so little effect, that it has lapsed into a ritual incantation.

The boroughs also argue that vacant sites in Docklands could have been used to meet local needs. This was essentially the policy of the LDSP, which saw the decline of Docklands industries as an opportunity to correct the 'imbalance' between East London and other parts of the capital, for the benefit of all residents of the Docklands boroughs. In the case of housing, environment, social facilities and infrastructure this was mainly a question of public investment. The DJC's operational programme for the period 1979–83 envisaged public investment of £507 million and private investment of £109 million (GLC 1984a, p. 28). Much of the private investment (£63m) was wanted in new industry. In spite of the continuing decline of manufacturing industry in Docklands during the 1980s, the boroughs and the community groups have stood by their belief that new industries could be attracted to the area which could make use of the existing skills of the resident workforce.

Naturally, this case has been challenged by the LDDC and its supporters. They reject the principle of needs-based planning as parochial and shortsighted. Docklands is seen as a regional and national issue as well as a local issue, bound up with the future of London—and Britain as a whole—in Europe and the global economy. Theirs is thus a wider definition of the 'community' which should benefit from the regeneration of Docklands. But they also challenge the claim that local people are being excluded. In the short term, some rented housing is being provided (and we have noted how additional sites were won in local campaigns); and a percentage of new owner-occupied houses have been selling at 'affordable' prices of under £40 000 (mid-1980s). The LDDC took over the role of the Docklands Partnership and therefore has an Urban Aid budget for social and environmental facilities. It claims that some local people have been employed in the new industries; that the unemployment rate in Docklands has levelled off (male unemployment around 30% in 1985); and that longer-term employment prospects are bound to be better in expanding rather than contracting industries.

The differences of opinion over who is benefitting and in what ways come down to the two central issues of housing and jobs. The housing argument has produced a plethora of statistics on prices and incomes, and on purchases by local residents. While the

Corporation has made efforts in its agreements with developers to ensure that some lower-priced housing is built on land in its ownership, prices have risen much faster than local incomes. According to the Docklands Forum, while nearly all dwellings built on LDDC land in 1981–2 sold for below £40 000, by 1985 only 43% were in this price range (1987, p. 17). Housing on privately owned sites has generally been very much more expensive. Various claims have been made about the proportion of house buyers who come from the Docklands or another part of East London and who can therefore be considered ‘local’. For example, the LDDC has stated that 40% of houses built on Corporation-owned land have sold to residents of the Docklands boroughs (1987, p. 6). Unfortunately, such figures are tainted by the well known but unquantified practice of trading in addresses, whereby outsiders pay local residents to use their address and thus gain access to priority purchase schemes (Docklands Forum 1987). It is hard not to see the Corporation’s claims about ‘affordable’ house prices as rather cynical, since at the same time it has boasted of a five-fold increase in land values across the Docklands, a factor on which its whole strategy depends.

On jobs the evidence is again inconclusive. While local unemployment may have levelled off, in the mid-1980s it remained exceptionally high. The LDDC claimed that 10 000 new jobs had been created by 1986 and that the decline in employment had been turned around. The prospect of major developments at Canary Wharf, London City Airport and the Royal Docks split the opposition, and the Corporation seemed to have won the argument by sheer force of numbers. The Docklands Consultative Committee also argued that very little effort was going into training and retraining for the local workforce (DCC 1985, p. 23), but this has been given greater emphasis with projects such as SKILLNET, a collaborative training venture involving the LDDC, the ILEA and Newham Borough (LDDC 1987).

By the end of the 1980s it looked very much as if the factual evidence of the success of the LDDC in bringing about the physical and economic regeneration of London’s Docklands was overwhelming the opposition. The case of the boroughs and the community groups still tended to rest on the principles of the LDSP and a commitment to major public-sector funding. It did appear, however, that many local people would have been satisfied with just a marginal increase in the public-sector aspects of urban renewal, particularly in the areas of social rented housing and access to employment. As we have seen, in 1987 Newham decided that negotiation was a better tactic than opposition and came to an agreement on just these issues in the Royal Docks redevelopment. The LDDC, for its part, was showing some response to the opposition case by placing greater emphasis on its social programme and negotiated planning gains.

Perhaps in the end the more lasting criticism of Docklands’ revival was that advanced by Colin Davies in an article entitled ‘Ad hoc in the docks’. Asking, ‘What kind of city emerges from such a process?’, he found the answers:

> Profoundly depressing to those who care about the future of European Cities. If Cities are about community, democracy, accessibility, public space, and the rich mixture of activities which creates a culture in which all can participate, then Docklands does not deserve to be called a city. (1987, p. 32)

Instead, the private-sector regeneration of Docklands is producing a collage of private realms, each barricaded behind its own security system. The social exclusiveness of the new houses and offices is mirrored by the physical exclusion imposed by the buildings themselves.